



State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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Division Director

FACSIMILE COVER SHEET

DATE: APRIL 7, 2000

NUMBER OF PAGES INCLUDING THIS COVER SHEET: 3

TO: PAT GOCHNOUR
GOCHNOUR & ASSOCIATES, INC.

FAX NUMBER: (303) 770-7580 7564

FROM: Wayne Hedberg

Minerals Reclamation and Development Program

PHONE: (801) 538-5291

FAX: (801) 359-3940

SUBJECT: SUMMIT EXPLORATION AMENDMENT
APPROVAL

REMARKS: ORIGINAL LETTER & ATTACHMENTS
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P. 01

APR-07-2000 FRI 03:33 PM

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APR-07	03:31 PM	13037707564	1'27"	3	SEND	OK	203	

TOTAL : 1M 27S PAGES: 3

m/037/088



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April 7, 2000

Pat Gochmour
Gochmour & Associates, Inc.
5231 South Quebec
Greenwood Village, Colorado 80111

Re: Approval of Exploration Amendment Within Large Mine Permit Area, Lisbon Valley Mining Company LLC, Summo USA Corporation, Lisbon Valley Copper Project, M/037/088 (UTU-72499, ML-20569), San Juan County, Utah

Dear Mr. Gochmour:

The Division has reviewed the exploration proposal dated March 20, 2000, submitted on behalf of Summo USA Corporation. All of the proposed work is within the large mine permit area. All of the proposed work is located on state leased land in the N1/2 of Section 36, T30S, R25E, SLBM. The proposal describes 51 drill holes and drill pads, 1,040 feet of overland tracking without blading, and 3,160 feet of bladed access roads. Some drill sites will be accessed by trails and roads which were existing or created by the previous phase of exploration drilling. Total estimated disturbance for this exploration proposal is 2.30 acres. Please note that the latest Exploration Project map identified two drill hole locations as site number 39, and no hole was identified as number 37.

The Minerals Rules categorize this proposal as an amendment to an existing large mine operation notice of intention even though the work proposed is only for exploratory drilling. **The information provided in this submission satisfies the Division's requirements for a large mine operation permit amendment.**

The Division has reviewed the reclamation cost estimate provided in this submission. The unit costs used in this estimate are the same as the unit costs in the previously approved amendment. The Division has adjusted the cost estimate provided by Summo to include five years of escalation giving a \$18,500 surety amount for this amendment. The Division received a completed Reclamation Contract and Surety Bond Rider on April 4, 2000. The rider increases the surety amount by \$20,000 and also amends Attachment A to include a revised legal description for the latest drilling proposal. All other conditions of the surety remain the same. The Division has reviewed these documents and found them to be acceptable.

On April 7, 2000, the Division Director signed the replacement Reclamation Contract. **The Division hereby approves of this amendment and Summo may begin work on this latest exploration proposal at your earliest convenience.** Enclosed are copies of the signed and executed Reclamation

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Contract and the Surety Rider. Also enclosed is the existing Reclamation Contract with the effective date of February 11, 2000 for your disposal.

We have received a copy of the March 20, 2000, letter to Summo from the School and Institutional Trust Lands Administration offering their agency's approval of this exploration proposal upon satisfactorily meeting the reclamation bonding requirements to be determined by the Division. Although this particular exploration proposal will not involve BLM managed lands, the Division has provided a courtesy copy of this letter to the Moab BLM office to keep their file for the plan of operations current.

If you require additional information please contact me at (801) 538-5286, or Tony Gallegos at (801) 538-5267. Thank you for your cooperation in completing this permitting action.

Sincerely,



D. Wayne Hedberg
Permit Supervisor
Minerals Reclamation Program

jb
Attachment: Division escalation calculation
Enclosure: replacement MR-RC & surety rider, MR-RC dated 2/11/00
cc: Bob Prescott, Summo, Moab Office w/
Will Stokes, SITLA w/MR-RC & surety rider
Bill Stringer, BLM Moab FO w/MR-RC & surety rider
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